

FILED
Date _____
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Comm. Amdt. _____

AMENDMENT NO. _____

Signature of Sponsor

AMEND Senate Bill No. 2791*

House Bill No. 3051

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 65, Chapter 1, Part 3, is amended by adding the following new section:

Section 65-1-305(a). Any person employed in a career service position by the Public Service Commission on May 26, 1995, who is subject to a reduction in force pursuant to §65-1-301(b)(3) shall have the following rights:

(1) No later than June 1, 1996, the department of personnel shall provide to the employee a detailed plan of placement options within agencies of state government. Such plan shall consist of at least three (3) placement options. For purposes of this part, comparable "placement option" means an offer of employment in a position:

(A) With education, training and experience requirements either comparable to the position held by the employee at the time of the reduction in force or which the employee otherwise meets;

(B) For which the salary offered is no less than ninety percent (90%) of the person's salary at the time of the reduction in force; and

(C) Which is located within fifty (50) miles of the employee's residence or former duty station.

If the department of personnel is unable to provide to an employee a complete list of three (3) placement options within agencies of state government, the department shall provide the employee with a notice of any placement option which it has identified within agencies of state government.

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(2) Each employee shall have thirty (30) days to elect one (1) of the following:

(A) To accept a placement option identified by the department of personnel; or

(B) To reject the placement options identified and elect to receive a severance payment provided in this section.

(3) Each employee who rejects the placement options, shall receive a lump sum severance payment equal to six (6) months compensation as well as any longevity payment otherwise due the employee during the fiscal year beginning July 1, 1996. The lump sum severance payment shall be paid to the employee at whatever time the employee is terminated from the state's payroll system. Notwithstanding any provision of the law to the contrary, the lump sum severance payment shall not be included in determining the employee's average final compensation for retirement purposes nor shall it be subject to retirement contributions. Notwithstanding acceptance of a severance payment, such employee shall have rehire rights to the position from which the reduction in force occurred for a period of two (2) years from the date of acceptance of the severance pay option. To qualify for this severance payment, an employee shall contractually agree with the Public Service Commission and its successor agency, the Tennessee Regulatory Agency, to:

(A) Not accept employment from any state agency prior to the expiration of six (6) months from the date the lump sum severance payment is made. If the employee accepts state employment prior to the

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expiration of this period of time, the employee shall reimburse the state a pro rata amount equal to the severance payment received multiplied by the percentage of months remaining in the six (6) month period;

(B) Release the state from any liability for compensation or other damages as a result of being subject to a reduction in force arising from the provisions of Chapter 305 of the Acts of 1995. If the employee brings legal action against the state or an official thereof, the employee shall reimburse the state the full amount of the severance and longevity payments; and

(C) Not accept any retirement incentive bonus authorized by any other act of the general assembly if such bonus only applies to employees of the Public Service Commission. If the employee accepts such retirement incentive bonus, the employee shall reimburse the state the full amount of severance and longevity payments made pursuant to this section.

(4) Any employee who accepts a placement option shall have career service status as a regular employee and rehire rights to the position from which the reduction in force occurred for a period of two (2) years from the effective day of acceptance of the placement option.

(b) The provisions of Tennessee Code Annotated, Title 8, Chapter 30, Part 3, relative to noncompetitive and entrance tests and appointment and promotion lists shall not apply to any person to whom this section applies, or to the transfer of such personnel to other agencies of the state for a period of two (2) years from the effective

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date of this act. Any employee so transferred shall, however, be eligible to compete for promotion pursuant to the provisions of such chapter.

(c) For a period of two (2) years from the effective date of this act, no person to whom this section applies shall be subject to the provisions of Tennessee Code Annotated, Sections 8-30-312 through 8-30-314, if such employee had been employed by the state for at least six (6) months by May 26, 1995.

SECTION 2. Tennessee Code Annotated, Section 65-1-304, is amended by adding the following new subsection:

(c) Notwithstanding any provision of law to the contrary, no public service commission employee transferred to any other department of state government pursuant to the operation of Section 65-1-301(b)(2) and to the transfer plans described herein, shall be required to take a reduction in salary as a condition of transfer. Such salary shall be based on the employee's salary as of the date of approval of a transfer plan by the transition team. If the salary of a transferred public service commission employee exceeds the salary range of the position to which such employee is transferred, then such employee shall not receive future across the board increases for two (2) years or until the transferred employee's salary is within the salary range, whichever occurs earlier.

SECTION 3. The transition team shall recommend reductions necessary to balance revenues and expenditures by function by June 30, 1996, for entities formerly regulated by the Public Service Commission in recognition of any savings resulting from implementation of Public Chapter 305 of the Acts of 1995.

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SECTION 4. Implementation of the provisions of this act shall be subject to the funding being provided in the general appropriations act.

SECTION 5. This act shall take effect upon becoming a law, the public welfare requiring it.